D.T.E. 98-111 December 31, 1998

Petition of Boston Edison Company's 1998 Transition Charge True-Up, filed with the Department of Telecommunications and Energy, pursuant to Section V.E. of the Restructuring Settlement Agreement, filed with and approved by the Department in D.P.U./D.T.E. 96-23.

I. INTRODUCTION

On November 4, 1998, pursuant to the Restructuring Settlement Agreement approved in Boston Edison Company, D.P.U./D.T.E. 96-23 (1998), Boston Edison Company ("BECo" or "Company") filed its "1998 Transition Charge True-Up" ("True-Up Report") for approval by the Department. The Company also filed a reconciliation of standard offer service costs and revenues for 1998, and proposed updated charges and tariffs to be effective January 1, 1999. On December 10, 1998, the Company submitted revisions to its filing, and, on December 18, 1998, filed tariffs to reflect these revisions, including a revised Economic Development Rate tariff. The Company proposes that the tariffs filed on December 18, 1998 take effect on January 1, 1999. The Department sent notice to all the parties in Boston Edison Company, D.T.E. 96-23 (1998) (BECo's Restructuring Settlement) and Boston Edison Company, D.T.E. 97-113 (1998) (BECo sale of fossil generating assets to Sithe Energies, Inc.) requesting comments to be filed no later than December 10, 1998. In addition, the Department conducted a technical conference scheduled on December 4, 1998.

Based upon the Department's review of the Company's filing and the comments received, the Department has determined that further investigation is necessary to ensure that the issues presented in the True-Up Report and the accompanying tariffs are consistent with the law, D.P.U./D.T.E. 96-23, and D.T.E. 97-113. This investigation shall proceed on an expedited basis covering methods for (1) calculating FRVC and its various cost components and (2) reconciliation accounts. No change to the Standard Offer price will result. Consistent with comments received, the Department finds that it is in the public interest to allow the tariffs filed by BECo on December 18, 1998 to take effect on January 1, 1999, subject to reconciliation pursuant to this investigation.

II. ORDER

The Department, after review, consideration and study of the aforementioned filing has determined that further investigation is necessary. It is therefore

ORDERED: That the Department commence an investigation into the Boston Edison Transition Charge True-Up filed with the Department on November 4, 1998 and revised on

December 10, 1998; and it is

<u>FURTHER ORDERED</u>: That the operation of rates and charges set forth in the tariffs filed by Boston Edison Company with the Department on December 18, 1998 take effect as of January 1, 1999, subject to reconciliation pursuant to the Department's investigation, the applicable tariff numbers are as follows: M.D.T.E. Numbers 839, 840, 884, 885, 843, 844, 845, 846, 847, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 860, 861, 862, 881, 898, 865, 866; and it is

<u>FURTHER ORDERED</u>: That a copy of this order be filed with the tariffs at the office of Rates and Revenue Requirements Division of the Department and a copy be forthwith served upon Boston Edison Company.

By Order of the Department,

Janet Gail Besser, Chair

James Connelly, Commissioner

W. Robert Keating, Commissioner

Paul V. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner